FOR MYSORE STATE

H F LA (1954) Department.

Mg SERIES.

G.O. Mg No. 355 Health

69

Dated 12 2 1954

[Despatch Abstract.]

Water supply Mangalore Municipality
Application for raising loan in open market Publication ordered

Roc.B6/9209/53. Municipal Office, Mangalore,
Dated 18th August, 53.

From

Sri L. C. Richard, M.A.,
Commissioner, Mangalore Municipality,
Mangalore.

To

The Secretary to Government,
Health Department,
M a d r a s.

ASSISTANT SECRETARY
21 AUG.953
HEALTH DEPARTMENT

45455

Thro'

The Chairman, Municipal Council,
M a n g a l o r e.

Sir,

Sub; Accounts - Mangalore Municipal Council - Water Supply Scheme - raising of loans in open market - permission requested.
Ref: G.O.No.(Ms.) 2810, Health dated 27th July 53.

.....

I submit herewith a copy of council resolution No.1191 dated 13th August 1953 with application for a loan of Rs.17.5 lakhs for financing the Water Supply Scheme of the Mangalore Municipality.

2- The Municipal Council in its resolution No.1191 dated 13th August 1953 settled the terms of the loan. The loan of Rs.17.5 lakhs will carry a interest of 4½ per cent per annum payable annualy and will be current for 15 years subject to the condition that at the end of the first 5 years Rs.5 lakhs shall be redeemed and at the end of another 5 years Rs.5 lakhs shall be redeemed and the balance of Rs.7.5 lakhs at the end of the period of 15 years. The issue price will be Rs.99-8-0 and a brokergge of 0-2-0 per Rs.100 to recognised Banks and brokers has also been agreed to. The debentures will be of the denomination of Rs.100, 500, 1000, 5000, 10,000 ans 25,000. A Sinking Fund is proposed to be instituted and Rs. 1 lakhs will be credited into the fund every year for the first five years and proportionately higher sums thereafter.

3 The Government may be pleased to declare the debentures as Trustee Securities and as approved securities under the Insurance Act to enable the Insurance Companies to invest their security deposits and also as approved securities under Section 5 and 24 of the Banking Companies Act 1949 (Act X of 1949).

4 An application in the prescribed form along with the financial statement is submitted. I request the Government may be pleased to issue early orders in the matter.

FORWARDED
CHAIRMAN, M.C.

Commissioner

Encls: 1. Copy of C.R.1191 dt.13.8.53. along with F.C. resolution No.1 dated 18-8.53.
2. Commissioner's note to council dated 7-8-53 and 13-8-53.
3. Application form.
4. Account of financial position.

S/18-8. Compd.

APPLICATION OF THE MANGALORE MUNICIPAL COUNCIL FOR A LOAN OF Rs.17.5 (SEVENTEEN AND HALF) LAKHS FROM THE PUBLIC UNDER THE LOCAL AUTHORITIES LOAN ACT.

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1. The purpose for which the loan is required and when the loan is required for any of the purposes specified in any of the clauses 1,2,3 or 4 of sub section (1) of Section 3 and estimate of the cost of the entire work or such part of it as it is proposed to carry out.	The loan is required to finance the Water Supply Scheme of the Mangalore Municipality. The total cost of the Scheme is 82.85 lakhs of which the share of the Municipality is 25.5 lakhs.
2. The amount which it is proposed to borrow.	~~Rs.17.5 lakhs~~. (17,50,000)
3. The fund on the security of which it is proposed to borrow.	Funds of the Mangalore Municipality.
4. The law under which the said fund is levied, received or held.	The Madras District Municipalities Act, 1920 as amended.
5. The dates within which the money is to be borrowed and when it is proposed to raise the loan in instalments, the dates within which the first instalments is to be taken or received and the year in which it is intended to take or raise the other instalments.	The entire loan is proposed to be obtained in the open market within a month of sanction.
6. The rate of interest at which it is proposed to borrow.	At 4½ per cent per annum.
7. The term of years for which the money is to be borrowed and the method by which it is to be repaid.	The term of loan will be 15 years. After the first 5 years, Rs.5 lakhs will be repaid; after ten years another 5 lakhs will be repaid and the balance of Rs.7.5 lakhs after 15 years.
8. An account of the financial position of the local authority including the statement of all prior charges on its funds.	Separate Statement is attached.

Municipal Office, Mangalore,
Dated 18th Aug., 1953.

Commissioner & C.A.

STATEMENT OF LIABILITIES AND ASSETS ON 31st MARCH 1953.

Heads.	Amount	Heads	Amount
Liabilities.		**Assets.**	
(i) Balance of loands:-		(i) Closing balance	
(a) From Government	8,50,653-7-0	(a) Cash	79,153- 7-9
(b) From public	7,900-0-0	(b) In Treasury	5,59,474-14-7
		(c) In Bank	55,818- 6-7
Total,	8,58,553-7-0	Total	6,94,446-12-11
(ii) Provident Fund:-		(ii) Provident Fund:-	
(a) Cash	8,435-8-11	Cash	8,435- 8-11
(b) Investments	2,39,400-0-0	Investments	2,39,400- 0-0
Total	2,47,835-8-11	Total	2,47,835- 8-11
Bonus Fund:		Bonus fund:-	
Cash	6,979-0-0	Cash	6,979- 0-0
Investment	31,000-0-0	Investments	31,000- 0-0
Total.	37,979-0-0	Total	37,979 -0-0
(iii) Deposits:-	82,353-8-1	(ii) Despsits	
		(a) Postal Savings Bank	12,000- 0-0
(vi) Funded capital of Endowed Institutions.	4,840-14-0	(b) Government Promissory Notes..	--
		(c) Land or Other Securities.	--
(v) Cash balance of Endowed Institutions.	1,203-14-0	Total	12,000- 0-0
(vi) Cash balance of special accounts	3,34,996- 4-9	(iv) Sinking Fund Investments.	--
(vii) Other amounts	5,048- 0-0	(v) Other investments	76,041- 0-0
Library cess	16,315-14-6	(vi) Funded Capital of Endowed Institutions- Securities and Landed property	4,840-14-0
Total.	4,44,758- 7-4		
Grand Total.	15,89,126- 7-3	(vii) Arrears of taxes	1,11,938-14-2
		(viii) Other assets.	9,29,397-14-4
		(ix) Advances recoverable	
		(a) Permanent	235- 0-0
		(b) Other	1,93,865-15-6
		Engineer's stock	851- 8-0
		Total	13,17,171- 2-0
		Grand Total	28,09,432- 5-10

/True copy/

Commissioner

/18-8. Compd.

Extract from the Proceedings of the Mangalore Municipal Council, dated 8.8.1953.

Read: B6.9209/1953. Water Supply Scheme - Mangalore Municipality - raising of loans in open market - instructions of government -

Commissioner's Note:

(L) The Council resolved in its resolution No.970 dated 27-6-1953 to raise a loan of Rs.15 lakhs. The government in their 2811 Health dated 27th July, 1953 state that there will be no loan granted to the municipality from the State Funds during 1953-54 and therefore the municipal council may raise a loan of Rs.17-5 lakhs instead of Rs.15 lakhs resolved upon by the council. The government has also approved as a special case the request to raise the loan even from persons residing outside the municipal limits but within the South Kanara District and also from persons residing outside the Madras State. (B) In their order No.2810 Health dated 27.7.1953 the Government have asked the council to settle the terms specified therein before raising the loan. The Municipal council is requested to please decide on the question of raising the limit of the loan from Rs.15 lakhs to Rs.17.5 lakhs and settling the details of the loan in the terms of the Government order. On their decision a fresh application has to submitted to government.

C.R.No.1130 dated 8.8.53.

Referred to Finance Committee for an urgent report.

Sd. K. S. N. Adiga,
Chairman, M.C.

F.C.Res.No.1 dated 12.8.53.

The Committee resolves as follows:-

(1) The loan to be raised shall be Rs.17.5 lakhs.
(2) The interest payable shall be 4½% per annum payable annually.
(3) The currency of the loan shall be fixed at 15 years, subject to the condition that at the end of the first 5 years Rs.5 lakhs shall be redeemed and at the end of 10 years another Rs.5 lakhs shall be redeemed and at the end of 15 years the remaining 7.5 lakhs shall be redeemed.
(4) The issue price shall be Rs.99-8-0.
(5) A brokerage shall be paid of 0-2-0 per Rs.100/- to recognised Banks and brokers.
(6) The denominations of the debenture to the issued shall be 100, 500, 1000, 5000, 10,000 and 25,000.
(7) The contribution to the sinking fund may be made at Rs. one lakh per year for the first 5 years and proportionately more for the subsequent years.
(8) The Govt. should be moved to declare the debenture as Trustee securities, and as approved securities under the Insurance Act to enable the Insurance Companies to invest their security deposits, and also as approved securities under section 5 and 24 of the Banking Companies Act 1949 (Act X of 1949).

Sd. K. S. N. Adiga,
Chairman, M.C.

(True copy)

p.t.o.

C.…No.1191 dated 13.8.53.

p. 7 ante

Item 1191 was taken up first. The recommendations of the Finance Committee and the Commissioner's note are accepted. A loan of Rs.17.5 lakhs may be raised on the lines suggested, and the Govt. may be addressed accordingly. — p. 9 infra

Sd. K. S. N. Adiga,
Chairman, M.C.

(True copy)

Commissioner M.M.

MC 15/6/53

Roc.B6/9209/53.

Office Note:-

(4)

The Government in their order Ms.No.2811, Health dated 27-7-53 have granted permission to this municipality to raise a loan of Rs.17.5 lakhs instead of Rs.15 lakhs asked for, in the open market subject to the conditions. (B) mentioned in G.O.Ms.2810, Health dated 27-7-53. The terms referred to in G.O. are as follows:-

1. The currency of the loan may be fixed by the council subject to a maximum of 20 years.

2. The interest on the loan shall be at the rate of 4½ per cent per annum and be paid annually to the subscribers.

3. A Sinking Fund shall be constituted by the municipality to be utilized for repayment of the principal of the loan amount and shall pay into the Sinking Fund annually the amount necessary to secure the sum equal to the principal of the loan when it is due for payment.

4. The amount in the Sinking Fund may be invested in Government Securities, and that the annual payment to be made to the Sinking Fund will be fixed by the Government in consultation with the Accountant General.

5. The council may fix the issue price of the loan at a suitable rate such as Rs.99 or Rs.99-8-0 per for every hundred allowing a brokerage up to annas two for every hundred to recognised bankers and Brokers on an allotment made in respect of application for subscription bearing their stamps. They have further stated that Rs.2½ lakhs provided for in the budget towards the payment of loan to this municipality in respect of the scheme during the year 1953-54 will not be paid. The following is the financial position of receipts and expenditure under Water Supply scheme.

6. The total tax expected to be realised during the year 1953-54 at 9% per year will be Rs.3,16,600/-. Out of this a sum of Rs.40,420/- has to be set apart towards the payment of annuity in respect of Rs.8 lakhs loan already taken. Further a sum of Rs.43,550/- has to be set apart to meet the ordinary expenditure and towards the minimum closing balance under the account. Hence a sum of Rs.2,20,000/- will be available towards the loan transactions.

7. If a loan of Rs.17.5 lakhs is raised the interest payable on this per year will be Rs.78,750/- at 4½%. Provision for this amount has to be made every year as the final repayment of loan will be made only after 20 years, as per instructions from the Government. After allowing a margin for the amount towards interest a net balance of Rs.1,53,880/- will be available towards the repayment of the principal of the loan. If a sum of Rs.1,00,000 is transferred to Sinking fund annually the amount of loan raised i.e. Rs.17.5 lakhs will be made good in 18 years. There is no question of further transferring of amount to the Sinking fund after the period of 18 years and there will be a saving under the account to this extent. Over and above these savings there will be an income to the extent of interest realised from the investment of the amount from the Sinking Fund made in the Government securities.

8. As regards the maintenance charges and the charges on the establishment after the completion of the scheme it is suggested that these charges could be met from the amount realised by way of water tax on the domestic connections given plus savings of Rs.53,880/- every year

and the interest realised from investment. Under the above circumstances we may decide to raise the loan of Rs.17.5 lakhs on the terms and conditions laid down in the aforesaid Government Orders.

9. Unless Government agree to treat investment in the loan as approved securities under the Insurance Act in which insurance companies may invest their security deposits we may experience difficulties in raising the full amount of Rs.17.5 lakhs. Unless the debentures are guaranted by the Government to come within the meaning of Trustee Securities and so printed in the debenture bonds, Insurance Companies may not invest their security deposits in our loan.

10. One per cent on Rs.17.5 lakhs has to be paid as stamp duty by the municipality to the Government before the issue of debentures under Sub section 8(1) of chapter 2 of Stamp Act No.2 of 1889. This will come to Rs.17,500/-. The stamp duty on the debentures if waived would be an additional attraction. The Government may be requested to agree to this as the loan is raised for a public purpose.

11. The stamp duty of Rs.17,500/- will have to be paid before the debentures are ready for issue and there is no provision to meet this expenditure in the budget for 1953-54. Provision for meeting this charge will, however, be made in the revised estimate for 1953-54.

Sd. L. C. Richard,
D/7-8-53.
Commissioner.

/True copy/

Asst. Commissioner.

18/8/53.

S/18-8. Compd.

Note to Council.

The revised loan for financing the Water Supply Scheme is Rs.17.5 lakhs.

The incidental charges for securing the loan which should also form a part of the loan for purpose of reckoning the total cost are worked out as shown belwo:-

Stamp duty @ Re.1 per hundred	Rs.17,500
Printing and publicity.	Rs. 1,000
(Printing of debentures has to be done at Government Security Press and hence the cost is placed at Rs.1,000/- which may come down on actuals. So also the publicity charges)	
The loss on account of issue price being fixed at Rs.99-8-0	Rs. 8,750
Brokerage payable @ 2 annas per hundred and estimating that every debenture will be under-written on brokerage.	Rs. 2,100
	Rs.29,350

The annuity payable into the Sinking Fund may be fixed at Re.1 ~~p~~ lakhs per annuam and 5 lakhs to be repaid in the fifth and 5 lakhs in the 10th and the balance of Rs.7.5 lakhs in the 15th year.

The Government will in consultation with Accountant General fix the annuity payable into the Sinking Fund and the figure proposed is therefore subject to modification later on.

The interest payable by the municipality on the debentures is Rs.78,750/- per year for the first five year, Rs.62,500/- for the next five years and Rs.37,500/- for the last five years.

The estimated receipts under Water Supply and Drainage tax is Rs.3.16 lakhs. The annual maintenance charges will be Rs.1.23 lakhs in 1956. We will be deriving income from tap rates from the date of completion of the scheme which was estimated by the Sanitary Engineer at Rs.45,000/- at the rate of Rs.18 per annum for 2,500/- service connections. (Vide Memo.No.21671-H1/47 P.H. dated 4-11-1947). Thus the cost could be met from our resources.

(without up)

p17 A statement showing the receipts and expenditure showing the interest payable at 4½ per cent per annum on the debentures and interest accruing from amount in Sinking Fund at 3% is appended hereto with the probable commitment, if the debentures are redeemed every five year. The receipts under tap rates is not separately shown there. Even so, the W. & D. tax may increase beyond the estimated limit of Rs.3,20,000.

Out of the receipts of Rs.3,16,600/-, Rs.40,420/- will be paid as annuity on 8 lakhs loan. Provision has to be made for closing balance and ordinary expenditure of Rs.43,450/-. The balance available is(Rs.3,16,600 - 83,870 i.e.2,32,730/-); of this Rs.78,750/- will be paid as interest on debentures at 4½ per cent. There will be a fall in interest charges as we redeem the debentures. Working at 78,750/- the balance available will be Rs.1,53,980/- Fixing the amount payable into the Sinking Fund as Rs. 1 lakh, we will be left with a balance of Rs.53,980/-.

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-X-

Annually we will be having thus Rs.53,980/- plus Rs.43,450/- i.e. Rs.96,450/- to which may be added Rs.45,000/- on account of house service connection (2500 x 18) thus giving us Rs.1,41,450/- as against Rs.1.23 lakhs required for maintenance of the shceme in 1956 by which time the scheme will be in operation. If this is postponed there will be abatement in maintenance charges.

Sd. L. C. Richard,
D/13-8-53.
Commissioner.

/True copy/

Commissioner.

S/18-8. Compd-

NCD
18/8/53

	RECEIPTS				EXPENDITURE			
Year	W & D Tax	Interest on amount in Sinking Fund @ 3%.	Amount of Sinking Fund	Amount of Loan.	Annuity on loan of 8 lakhs	Amount for Sinking Fund	Interest payable on debenture @ 4½%	Repayment of loan.
LOAN AMOUNT REALISED, 1953-54.				Rs.17.5 lakhs.				
1953-54	3,16,600	nil			40,420	1 lakh	78,750	
1954-55	3,20,000	3,000			40,420	1 lakh	78,750	
1955-56	3,20,000	6,000			40,420	1 lakh	78,750	
1956-57	3,20,000	9,000			40,420	1 lakh	78,750	
1957-58	3,20,000	12,000			40,420	1 lakh	78,750	
do			5 lakhs, plus interst 30,000/-					Rs.5 lakhs
1958-59	3,20,000	900			40,420	1 lakh	62,500	
1959-60	3,20,000	3,900			40,420	1 lakh	62,500	
1960-61	3,20,000	6,900			40,420	1 lakh	62,500	
1961-62	3,20,000	9,900			40,420	1 lakh	62,500	
1962-63	3,20,000	12,900			40,420	1 lakh	62,500	
do			5 lakhs 64,500					Rs.5 lakhs
1963-64	3,20,000	1,935			40,420	1 lakh	37,500	
1964-65	3,20,000	4,935			40,420	1 lakh	37.500	
1965-66	3,20,000	7,935			40,420	1 lakh	37,500	
1966-67	3,20,000	10,935			40,420	1 lakh	37,500	
1967-68	3,20,000	13,935			40,420	1 lakh	37,500	
do			6,04,175					Rs.7.5 lakhs

/True copy/

Commissioner,
Mangalore Municipality.

S/18-8. Compd.

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Health

W 2

Memo no: 45455 W3/53. 22nd U.S.D

Subj: Water supply Mangalore Municipality Application for raising a loan in the open market.

Ppt. 13 sf

From the Commr., Mangalore Mpty
Rep. B6. 9209. 53 dated 18.8.

The financial statements in the prescribed form which should accompany ~~the~~ an application for a loan ~~from the Government have not been received~~ along with the loan application ~~received~~ submitted with the letter cited. The Commissioner, Mangalore Municipality, is requested to send the financial statements urgently. ~~to enable further action in the matter~~

Ded
20/8/53

U.S.D 20/8/53

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20/8/53

sf
S.

The Commissioner,
Mangalore Mpty
Kozhikode

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RCC.No.B6.9209/1953.

Municipal Office, Mangalore,
8th September 1953.

From
Sri L. C. Richard, M. A.,
Municipal Commissioner.

To
The Secretary to Government,
Health Department, M a d r a s.
Through
The Chairman,
Municipal Council, Mangalore.

49505

DEPUTY SECRETARY
10 SEP 1953
HEALTH DEPARTMENT

Sir,

Sub: ACCOUNTS - Mangalore Municipal Council - Water Supply Scheme - raising of loans in open market - financial statements - submitted.

Ref: This office letter Roc. B6.9209/53 dated 18th Aug.1953.
Memorandum No.45455.W2/53-2, Health, dated 4th Sept.1953.

The financial statements in prescribed form are submitted herewith.

L. C. Richard
Commissioner.

FORWARDED

Chairman, M.C.

Statement showing the Financial position of the Mangalore Municipal Council for four years ending 1952-53.
Part I Account of receipts and expenditure of General and Special service accounts - Ordinary.

Receipts.	General Taxation & Misc. Revenue.	Manage-ment.	Communi-cations.	Education other than elementary.	Public Health.	Remunerative Enterprises.	Total	Deduct contri-bution from Genl. a/c Ordinary.	Net Total	REMARKS
1	2	3	4	5	6	7	8	9	10	11
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	
Total receipts.										
49-50	4,67,566	9,989	41,739	223	72,066	1,26,089	7,17,672	2,49,420	4,68,252	
50-51	5,18,118	9,337	44,519	294	77,620	1,57,780	8,07,668	1,25,000	6,82,668	
51-52	5,46,787	5,895	~~4xxx~~ 45,735	66	78.716	1,80,848	8,58,047	2,42,390	6,15,657	
52-53	5,26,782	2,163	45,226	87	88,779	1,85,011	8,48,048	2,38,000	6,10,048	
Deduct receipts from Endowments.										
Actuals 49-50			23	95	16		134		134	
" 50-51			23	95	16		134		134	
" 51-52			23	89	16		128		128	
" 52-53			23	97	16		136		136	
Net receipts available for ordinary expenditure.										
Actuals. 49-50	4,67,566	9,989	41,716	128	72,050	1,26,089	7,17,538	2,49,420	4,68,118	
" 50-51	5,18,118	9,337	44,496	199	77,604	1,57,780	8,07,534	1,25,300	6,82,534	
" 51-52	5,46,787	5,895	45,712	-23	78,700	1,80,848	8,57,819	2,42,390	6,15,429	
" 52-53	5,26,782	2,163	45,203	-10	88,763	1,85,011	8,47,912	2,38,000	6,09,912	

A General Accounts (continued)

Expenditure		Management	Communi-cations.	Education other than elementary.	Public health.	Remunerative Enterprises.	Total.	Remarks
1		2	3	4	5	6	7	8
		Rs	Rs	Rs	Rs	Rs	Rs	
Total expenditure Actuals	49-50	67,993	1,59,897	6,662	2,88,885	10,468	5,33,905	
	50-51	71,561	1,42,030	5,924	3,16,737	20,831	5,57,083	
	51-52	75,826	1,66,620	4,770	3,20,294	18,655	5,86,165	
	52-53	72,378	1,84,835	2,727	3,33,386	24,062	6,17,388	
Expenditure from Endowments.								
	49-50		~~100~~	100			100	
	50-51		~~100~~	100			100	
	51-52		~~100~~	100			100	
	52-53		~~100~~	100			100	
Expenditure incurred from ordinary receipts Actuals.	49-50	67,993	1,59,897	6,562	2,88,885	10,468	5,33,805	
	50-51	71,561	1,42,030	5,824	3,16,737	20,831	5,56,983 ~~5,56,783~~	
	51-52	75,826	1,66,620	4,670	3,20,294	18,655	5,86,065	
	52-53	72,378	1,84,835	2,627	3,33,386	24,062	6,17,288	

E L E M E N T A R Y E D U C A T I O N A C C O U N T

RECEIPTS ORDINARY

Total receipts including contribution from General Account Ordinary.

Actuals	49-50	Rs.1,66,484
	50-51	Rs.1,39,202
	51-52	Rs.1,53,613
	52-53	Rs.1,73,997

Total receipts from special taxation and receipts under the account.

Actuals	49-50	Rs.1,66,484
	50-51	Rs.1,39,202
	51-52	Rs.1,43,613
	52-53	Rs.1,43,997

EXPENDITURE ORDINARY.

Total Expenditure

Actuals	49-50	Rs.1,43,254
	50-51	Rs.1,48,252
	51-52	Rs.1,65,947
	52-53	Rs.1,62,587

Net Expenditure from Taxation and receipts other than endowments and special contributions and special Government grant.

Actuals	49-50	Rs.1,43,254
	50-51	Rs.1,48,252
	51-52	Rs.1,65,947
	52-53	Rs.1,62,587

D. Water Supply And Drainage Scheme.

Receipts - Ordinary.

Total receipts Actuals	49-50	Rs. 64,212
	50-51	Rs. 48,645
	51-52	Rs. 69,585
	52-53	Rs.1,49,517

Total Expenditure - Ordinary

Actuals	49-50	Rs. 20,978
	50-51	Rs. 10,570
	51-52	Rs. 42,206
	52-53	Rs. 13,291

Capital

Actuals	49-50	Rs. ---
	50-51	Rs. 46,400
	51-52	Rs. 93,700
	52-53	Rs.12,18,510

Capital.

Actuals	49-50	Rs. 6,817
	50-51	Rs. 39,258
	51-52	Rs. 73,492
	52-53	Rs.10,45,016

The closing balance under Water Supply and Drainage Accounts on 31.3.1953 is Rs.2,33,071.

STATEMENT OF LIABILITIES AND ASSETS ON 31-3-1953.

Liabilities.		Assets.	
50653			
1. Balance loans:		i) Closing balance	
(a) From Government	8,50,653-7-0	(a) Cash	79,153- 7-9
(b) From Public	7,900-0-0	(b) in Treasury	5,59,474-14-7
		(c) in Bank	55,818- 6-7
Total	8,58,553-7-0	Total	6,94,446-12-11
58 555			
2.(i) Provident Fund		ii) Provident fund Investments	
(a) Cash	8,435-8-11	(a) Cash	8,435- 8-11
(b) Investment	2,39,400-0-0	Investments	2,39,400- 0-0
Total	2,47,835-8-11	Total	2,47,835- 8-11
(ii) Bonus Fund		iii) Bonus und	
(a) Cash	6,979-0-0	(a) Cash	6,979- 0-0
(b) Investments	31,000-0-0	(b) Investments	31,000- 0-0
Total	37,979-0-0		37,979- 0-0
3 Deposits:-	82,353-8-1		
		iv) Deposits	
4. Funded capital of Endowed Institutions.	4,840-14-0	(a) Postal Savings Bank	12,000-0- 0
		(b) Government Promisory notes	----
5. Cash balance of -do-	1,203-14-0	(c) Land or other securites	----
		Total	12,000- 0- 0
6. Cash balance of special accounts	3,34,996- 4-9		
		v) Sinking fund Investments	---
7. Other amounts (outstanding liabilities)	5,048- 0-0	vi) Other Investments, Edward Memorial fund.	76,041- 0- 0
Library Cess	16,315-14-6	vii) Funded capital of endowed institutions securities and landed property	4,840-14- 0
Total	4,44,758- 7-4		
Grand Total	15,89,126- 7-3	viii) Arrears of taxes and fees	1,11,938-14- 2
78 9126		ix) Other assets (Immoveable prop.)	9,29,397-14- 4
		x) Advances recoverable	
		(a) Permanent Advance	235- 0- 0
		(b) Other advances	1,93,865-15- 6
		Engineers Stock	851- 8-0
		Total	13,17,171- 2- 0
		Grant total	23,09,432- 5-10.

PART II PARTICULARS OF THE NET SURPLUS OR DEFICIT UNDER GENERAL FUNDS.

	Actuals 49-50 Rs	Actuals 50-51 Rs	Actuals 51-52 Rs	Actuals 52-53 Rs
(a) Net total receipts under A General Accounts Ordinary	4,68,118	6,82,534	6,15,429	6,09,912
(b) Net total expenditure under A General Accounts Ordinary.	5,33,805	5,56,983	5,86,065	6,17,288
(c) Difference (a) - (b)	65,687	1,25,551	29,364	- 7,376
(d) Net earnings from Railways other after deducting charges for repayment of loans.		--	--	--
(e) Capital expenditure admissible		--	--	--
(f) Actual capital expenditure under all accounts incurred from General Accourt for Local Body.	2,38,269	1,74,775	2,68,267	1,04,831
(g) Opening balance under A General Account ordinary.	3,66,931	3,01,278	4,25,099	4,54,590
(h) Closing balance -- --	3,45,243	4,26,863	4,54,590	4,47,251
(i) Minimum closing balance	35,885	40,375	42,920	42,420

Municipal Office, Mangalore,
Dated the 8th September 53.

Commissioner,
Mangalore Municipality.

8/9/53

31 Mr allen Dy
L.

Memo No L5455 W2-53-Allen
d 24.9.5

Dp(c) 89/9/53

Subj: Water supply —
Mangalore Municipality
Application for raising a
loan in the open market

From the Comm,
Mangalore Mpty.
Roc.No B.6.9209.53/8.9

pp 1-2 q

pp 3-4 q-

The financial statem
received with the letter
cited are defective ~~in the following respects~~
~~in that~~ as they give part
for the four ~~entire~~ yea
ending 1952-53 only. T
should give the actual
the three years ending 195
and the B.E figures fo
1953-54. The Comm is
Mangalore Municipali
requested to submit th
revised financial
statements in the cor
forma as per the r

K
24.9.53

Dp(c) 89/9/53

SK
29/9/53

To
The Commissioner,
Mangalore Mpty,
(thro' Chrome).
(Secn R.C. for file)

K 29.9.53

B6.9209/1953. Municipal Office, Mangalore,
Dated 8th Oct., 1953.

From

Sri. L. C. Richard, M.A.,
Commissioner, Mangalore Municipality,
Mangalore.

To

5530?

The Secretary to Government,
Health Department,
Madras.

Through: The Chairman, Municipal Council, Mangalore.

Sir,

Sub: Water Supply - Mangalore Municipality - application for raising a loan in the open market.

Ref: Memorandum No.45455-M2-53-4, Health, dated 29th September, 1953.

I enclose herewith revised financial statements incorporating the details of Budget Estimates for 1953-54. The statement of Liabilities and Assets as on 31-3-1953, has been adopted from the audited accounts of the municipality.

Forwarded

Chairman, M.C.

Commissioner M.M.

u.14.10.

Compd.

Statement showing the Financial position of the Mangalore Municipal Council for four years ending 1952-53.
Part I Account of receipts and expenditure of General and Special Service accounts - ordinary.

Receipts	General Taxation & Misc. Revenue.	Management.	Communications.	Education other than elementary	Public Health.	Remunerative Enterprises.	Total	Deduct contribution from Genl. a/c ordinary.	Net Total
1	2.	3.	4.	5.	6.	7.	8	9.	10.
Total receipts.									
50-51	5,18,118	9,337	44,519	294	77,620	1,57,780	8,07,668	1,25,000	6,82,668
51-52	5,46,787	5,895	45,735	66	78,716	1,80,848	8,58,047	2,42,390	6,15,657
52-53	5,26,782	2,163	45,226	87	88,779	1,85,011	8,48,048	2,38,000	6,10,048
Budget Estimate 1953-54	5,80,900	3,200	45,550	-	85,900	1,94,330	9,09,880	4,17,010	4,92,870
Deduct receipts from Endowments.									
Actuals 50-51			23	95	16		134		134
51-52			23	89	16		128		128
52-53			23	97	16		136		136
Budget Estimate, 53-54			20	100	20		140		140
Net receipts available for ordinary expenditure.									
Actuals 50-51	5,18,118	9,337	44,496	199	77,604	1,57,780	8,07,534	1,25,300	6,82,534
51-52	5,46,787	5,895	45.712	-23	78,700	1,80,848	8,57,819	2,42,390	6,15,429
52-53	5,26,782	2,163	45,203	-10	88,763	1,85,011	8,47,912	2,38,000	6,09,912
Budget Estimate for 1953-54	5,80,900	3,200	45,530	--	85,880	1,94,330	9,09,740	4,17,010	4,92,730

A General Accounts (Continued)

Expenditure	Management	Communications.	Education other than elementary.	Public Health	Remunerative Enterprises	Total	Remarks.
1	2	3	4	5	6	7	8
Total expenditure Actuals 50-51	71,561	1,42,030	5,924	3,16,737	20,831	5,57,083	
51-52	75,826	1,66,620	4,770	3,20,294	18,655	5,86,165	
52-53	72,378	1,84,835	2,727	3,33,386	24,062	6,17,388	
Budget Estimate for 1953-54	82,580	2,35,320	4,800	3,61,080	30,310	7,14,090	
Expenditure from Endowments.							
50-51			100			100	
51-52			100			100	
52-53			100			100	
Budget Estimate for 1953-54			100			100	
Expenditure incurred from ordinary receipts Actuals 50-51	71,561	1,42,030	5,824	3,16,737	20,831	5,56,698	
51-52	75,826	1,66,620	4,670	3,20,294	18,655	5,86,065	
52-53	72,378	1,84,835	2,627	3,33,386	24,062	6,17,288	
Budget Estimate 1953-54	82,580	2,35,320	4,700	3,61,080	30,310	7,13,990	

ELEMENTARY EDUCATION ACCOUNT.

Receipts Ordinary.

Total receipts including contribution from General Account.

		Ordinary. Rs.
Actuals	50-51	~~1,66,484~~ 1,39,202
	51-52	1,53,613
	52-53	1,73,997
Budget Est. for	53-54	1,82,570

Total receipts from special taxation and receits under the account.

Actuals	50-51	1,39,202
	51-52	1,43,613
	52-53	1,43,997
Budget Est. for	53-54	1,47,570

Expenditure Ordinary

Total expenditure

Actuals	50-51	1,48,252
	51-52	1,65,947
	52-53	1,62,587
Budget estimate for	53-54	1,87,460

Net Expenditure from Taxation and receipts other than endowments and special contributions and special Government grants.

Actuals	50-51	1,49,252
	51-52	1,65,947
	52.53	1,62,587
Budget Estimate for	53-54	1,87,460

D. Water Supply And Drainage Scheme.

Receipts - Ordinary.

Total receipts Actuals	50-51	Rs. 48,645
	51-52	Rs. 69,585
	52-53	1,49,517
Budget Estimate	53-54	58,300

Total Expenditure - Ordinary.

Actuals	50-51	Rs. 10,570
	51-52	Rs. 42,206
	52-53	13,291
Budget Estimate	53-54	26,920

Capital

Actuals	50-51	46,400
	51-52	93,700
	52-53	12,18,510
Budget Estimate	53-54	17,00,000

Capital

Actuals	50-51	39,258
	51-52	73,492
	51-52	10, 45,016
Budget Estimate	53-54	17, 00,000

The closing balance under Water Supply and Drainage Accounts on 31.3.1953 is Rs. 2,33,071.

Part II PARTICULARS OF THE NET SURPLUS OR DEFICIT UnDER GENERAL FUNDS

	Actuals 50-51	Actuals 51-52	Actuals 52-53	Budget Estimate for 1953-54.
(a) Net total receipts under A General Account Ordinary	6,82,534	6,15,429	6,09,912	8,70,880
(b) Net total expenditure under A General Accounts Ordinary	5,56,983	5,86,065	6,17,388	7,14,090
(c) Difference (a) - (b)	1,25,551	29,364	7,376	1,56,790
(d) Net earnings from Railways other after deducting charges for repayment of loans.	-	-	-	-
(e) Capital expenditure admissible	-	-	-	-
(f) Actual capital expenditure under all account incurred from General Account for Local Body.	1,74,775	2,68,267	1,04,831	3,78,360
(g) Opening balance under A General Account Ordinary	3,01,278	2,25,099	4,54,590	3,05,880
(h) Closing balance	4,26,863	4,54,590	4,47,251	84,660
(i) Minimum closing balance	40,375	42,920	42,420	45,160

Municipal Office, Mangalore,
Dated 8th Oct., 1953.

Commissioner
Mangalore Municipality

10/10-10-53

STATEMENT OF LIABILITIES AND ASSETS OF MANGALORE MUNICIPALITY AS IT STOOD ON 31-3-1953.

LIABILITIES.		ASSETS	
(i) Balance of Loans.		(i) Closing Balance.	
(a) From Government.	Rs850653- 7- 0	(a) Cash.	Rs 79153- 7- 9
(b) From Public.	7900- 0- 0	(b) In Treasury.	598103-12- 2
		(c) In Bank.	..
Total.	858553- 7- 0	Total	677257- 3-11
(ii) Provident Fund.		(ii) Provident Fund.	
(a) Cash.	8435- 8-11	Cash.	11464-14- 2
(b) Investments.	239400- 0- 0	Investment - Post Office S.Bank.	239400- 0- 0
	247835- 8-11		250864-14- 2
Bonus Fund - Cash.	6979- 0- 0	Bonus Fund - Cash.	6979- 0- 0
" Investments.	31000- 0- 0	Investments.	31000- 0- 0
	37979- 0- 0		37979- 0- 0
(iii) Deposits.	82352- 8-11	(iii) Deposits.	
		(a) Postal Savings Bank.	12000- 0- 0
		(b) Government Promissory Notes.	..
		(c) Land or other securities.	..
(iv) Funded capital of endowed institutions.	4840-14- 0	(iv) Sinking Fund Investments.	..
(v) Cash balance of endowed institutions.	1203-14- 0	(v) Other Investments.	40200- 0- 0
(vi) Cash Balance of special accounts.	334996- 4- 9	(vi) Funded capital ofendowed institutions Securities and landed property.	4840-14- 0
(vii) Other amounts.	5048- 0- 0	(vii) Arrears of taxes.	111938-14- 2
Library Cess.	16315-14- 6	(viii) Other assets.	929397-14- 4
		(ix) Advances Recoverable.	
		(a) Permanent.	235- 0- 0
		(b) Other.	193865-15- 6
		Engineer's stock.	851- 8- 0
(444757-8-2)	444757- 8- 2	Total.	1281330- 2- 0
Grand Total.	1589125- 8- 1	Grand Total.	2259431- 4- 1

Municipal Office, Mangalore, 14-10-1953.

Commissioner.

14-10-53

H. E. & H. Dept

H-(6)

Today

28(c) Madras No: 4545-H-VI: 53-6
17/12/53 Dated 17.12.53

Subj:- Water supply —
Mangalore Municipality:
Raising [illegible]
from the Government,

Ref:- From the Commissioner,
Mangalore Mpty; Lr.No.9209/53, d
[illegible] & 8.9.53.

The rate of interest on the open market loan raised by the Govt during the current year is four per cent per annum. The Corporation of Madras is now engaging to raise a loan of 10 years' currency at par with an interest of four per cent per annum.

2 The issue-price of the loan of Rs 17½ lakhs to be raised by the Mangalore Municipality will be Rs 99-8 per cent. Having regard to the fact that it is a 15 year loan repayable in three instalments after every five years and in view of the circumstances stated in paragraph 1 above, it is considered that a rate of 4¼ per cent per annum is adequate, unless it is felt that the loan cannot be raised locally at that rate. The Municipal Council Mangalore Municipality

2/45

is requested to consider whether the prospective subscribers would agree to the rate of 4 1/4 per cent per annum and if so whether it agrees to raise the loan at the rate of 4 1/4 per cent

2 3 The Commissioner, Mangalore Municipality, is requested to ascertain and report to Govt the views of the Municipal Council in the matter as desired by Govt.

16/12/23

17/12/23

17/12/23

17/12/23

To

The Commissioner,
Mangalore Mpty,
(thro the Engr)

The Chairman,
Mangalore Municipal
Council,
Mangalore.

(Tour 3/5)

B6.9209/53.

Municipal Office, Mangalore.
Dated 28th December 1953.

From
Sri.P.Arunajatai,
Commissioner-Delegate,
Mangalore Municipality.
To
The Secretary to Government,
Health, Education& Local Administration Department,
Madras.
Through
The Chairman, Municipal Council,
Mangalore.
Sir,

ASSISTANT SECRETARY TO GOVT. 31 DEC 1953 HEALTH, EDN. & LOCAL ADMN. DEPTT.

79826

Sub: Water Supply-Mangalore Municipality-raising loan in open market-information furnished.
Ref: Memorandum No.45455-HVI-53-6 Health dated 17-12-1953.

With reference to the Government Memorandum cited above, I enclose herewith the copy of the Council Resolution for favour of information.

Forwarded.

29/12

Chairman, M.C.

P. Arunajatai 28/12/53

Commissioner-Delegate,
Mangalore Municipality.

Extract from the proceedings of the Mangalore Municipal Council, dated 26.12.53.

Read: B6.9209/53. Memo No.45455 H VI-53-6 Health dated 17.12.1953 Water Supply - Mangalore Municipality - raising loan in open market.

Commissioner's Note: The Government have issued instructions that as the rate of interest on the open market loan raised by the Government during the current year is 4% per annum. Having regard to the fact that the Municipal Council is raising a 15 year loan repayable in three instalments after every five years, Govt.Consider that a rate of 4¼% per annum is adequate; unless it is felt that the loan cannot be raised locally at that rate Govt.requests the council to consider whether prospective subscribers would agree to the rate of 4¼% per annum and to state whether it agrees to raise the loan at the rate of 4¼% per annum, and the Chairman's note ~~there~~ on the C.O.

C.R.No.2344 dated 26.12.53.

The Council is of the opinion that if the rate of interest is reduced from 4½% to 4¼% the loan cannot be raised locally and that the prospective subscribers would not agree to the rate of 4¼%.

Sd. K. S. N. Adiga,
Chairman.

(True copy)

P. Arunajatai 28/12/53

Commissioner Delegate.

Statement showing the Financial position of Mangalore Municipal Cl. for the 4 years ending with the current year

(Part I—Account of Receipts & Expenditure of the General & Special Service Accounts.—Ordinary

A. General Account

Receipts.	Total receipts. (for four years separately).				Deduct. Receipts from ordinary sources (a) Spl. Govt. grants (for 4 years separately).				Net receipts available for ordy expenditure (for four years separately).			
	Actuals 1950-51.	Actuals 1951-52.	Actuals 1952-53	Budget for 1953-54.					Actuals 1950-51	Actuals 1951-52.	Actuals 1952-53	Budget for 1953-54.
(1)	(2)	(3)	(4)	(5)					(14)	(15)	(16)	(17)
	Rs.	Rs	Rs.	Rs.					Rs	Rs.	Rs.	Rs.
I General taxation & miscellaneous revenues.	517913.	546788.	5,26,783	580900.					517913	546788	5,26,783	580900.
II Management	3765	5896	2,162	3200.					3766	5896	2162	3200
III Communications	44520.	45734	45,226	45550.					44520	45734	45,226	45550
IV Education other than elementary	294.	66.	87						294	66	87	
V Public Health.	77102.	78715	88,779	85900.					77102	78715	88779	85900
VI Remunerative enterprises.	157779.	180848.	1,85011	194330.					157779	180848	1,85011	194330
VII Investments realised.									-	-	-	
			8,48,048						801373	858047	8,45,048	
Total.	801373	858047.		909880								909880.
Deduct. Contribution from Gl Accts												
(1) Lighting Account. Ordy.												
(2) Elec. Engr. Account "		10000	30,000	35000.					—	10,000.	30,000	35000.
(3) Water & Drainage Ac. "												
(4) Town Planning "	8000	6000		4000.					8000	6000		4000.
Net Total.	793373	842047.	8,18,048	870880.					793373	842047	8,18,048	870880

Statement showing the Financial position of Mangalore Mpl. el. for the 4 years ending with the current year.

Part I. Account of Receipts & Expenditure of the Gl. & Spl. Service Accounts - Ordinary contd.

A. General Account - cont.

Expenditure	Total Expenditure (For 4 years separately)				Deduct: Expenditure from endowments (for 4 years separately)	Deduct: (a) Expenditure from spl. & rot grants (for 4 years separately)	Net expenditure incurred from ordy. receipts (for 4 years separately).			
	1950-51 (2) Rs	1951-52 (3) Rs	1952-53 (4) Rs	1953-54 (5) Rs			1950-51 (14) Rs	1951-52 (15) Rs	1952-53 (16) Rs	1953-54 (17) Rs
I Management	67891	75826	72,378	82580			67891	75826	72,378	82580
II Communications.	142013	166620	1,84,835	235320			142013	166620	1,84,835	235320
III Edn. Other than elementary	5924	4770	2727	4800			5924	4770	2727	4800
IV Public Health	315893	320293	3,33,387	361080			315893	320293	3,33,387	361080
V Remunerative enterprises	20831	18656	24061	30310			20831	18656	24061	30310
VI Investments made										
Total.	552552	586165	6,17,388	714090			552552	586165	~~6,17,388~~ 617388	714090

(Receipts)

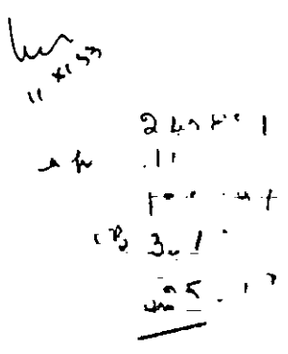
Special Service Accounts. - Receipts.

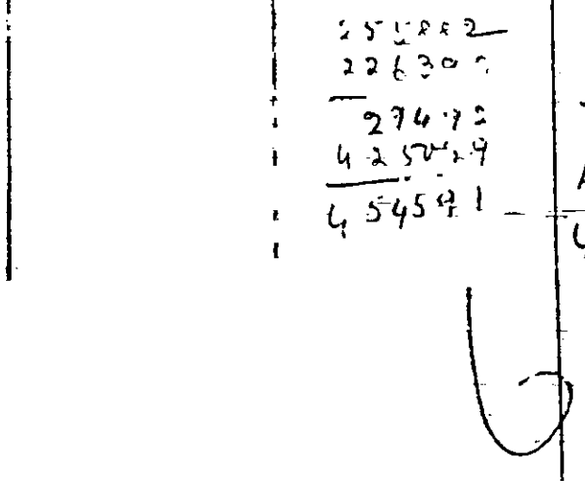
Name of Account.	Total receipts including contributions from Gl. Account. - Gr dy (for 4 years separately)				Deduct. Endowments for 4 years (separately)	Deduct. (a) Spl. Grants for (for 4 years separately)	Deduct. Spl. contributions (for 4 years separately)	Net receipts from spl. taxation of receipts under the account (for 4 years separately)			
	Actuals. 1950-51. (2) Rs	Actuals. 1951-52. (3) Rs	Actuals Revised estimate 1952-53. (4) Rs.	Budget. estimate 1953-54. (5) Rs.				Actuals 1950-51 (18) Rs	Actuals 1951-52 (19) Rs.	Revised estimate 1952-53. (20) Rs	Budget estimate 1953-54 (21) Rs.
Lighting Account.	56692	62350	63894	38010				56692	62350	63894	38010
Ele. Edn. Account.	139181	153613	173998	182570				139181	153613	173998	182570
Water Supply & Drainage Account	48383	69585	-149518	58300				48383	69585	~~1739~~ 149518 ~~149518~~	58300
Town Planning Fund Account	15459	12328	8288	11700				15459	12328	8288	11700

Name of Account	Total expenditure (for 4 years separately)				Deduct: Expr. from endowments. (for 4 years separately).	Deduct: Expr. from spl. Govt grants. (for 4 years separately).	Deduct: Expr. from spl. contributions.	Net expr. from taxation & receipts other than endowments & spl contributions & spl. Govt grants (for 4 years separately)			
	Actuals. 1950-51. (1)	Actuals. 1951-52. (2)	Revised estimate 1952-53. (3)	Budget estimate 1953-54. (4)				Actuals. 1950-51. (18)	Actuals. 1951-52. (19)	Revised estimate 1952-53. (20)	Budget estimate 1953-54. (21)
Lighting Account.	37965	40268	59236	50000				37965	40268	59236	50000
Ele. Edn. Account.	145974	165947	162588	187460				145974	165947	162588	187460
Water Supply & drainage Account.	10570	42206	13291	26920				10570	42206	13291	26920
Town Planning Improvement Account	15939	12673	7128	10750				15939	12673	7128	10750

Part II - Particulars of the net surplus or deficit under General Fund.
(for four years separately)

	Actuals 1950-51.	Actuals 1951-52.	Actuals 1952-53.	Bgt. for 1953-54
a. Net total receipts under A. Gl. Ac.-ordy. [Vide cols 14-17 of Part I]	793378.	842047.	8,18,048	870880 ~~7140~~
b. Net total expenditure under A. Gl. Ac.-ordy. (Vide cols 14-17 of Part I)	552552.	586165.	6,17,388	714090.
c. Difference. [a - b]	240826.	255882.	200,660	156790
d. Capital expenditure admissible [10% of the surplus under a].	24082.	25588.	20,066	15679.
e. Actual capital expr. under all accounts incurred from the Gl account of the local body.	117000.	226390 ~~226390~~.	2,08,000	378010
f. Opening balance under A. Gl. Account - Ordinary.	301278.	425099.	4,54,591	4,47257 ~~305860~~.
g. Closing balance under A Gl Account - Ordinary.	425099.	454591	4,47,251	2,26031 ~~94660~~.
h. Minimum closing balance*	40068.	42594.	42402.	45491
i Deficiency in the closing balance				





61 / 11-L-CAD-49
11-6

Gro (MS) No — — Health D

G.O. No. 45455 HD 1/53.

Subj: Water supply — Mangalore Municipality — Loans — Application for raising a loan in open market — Publication ordered.

From the Commr., Mangalore Mpty., Rc. B6/9209/53, dated 18-8-53.

From the Commr., Mangalore Mpty., Rc. No. B6/9209/53, d. 8-9-53

From the Commr., Mangalore Mtg., B.6. 9209/53, dated 8-[illegible]-53.

From the Commr., Mangalore Mtg. B6/9209/53, dated 28-12-53.

Govt approve the terms, excepting items 6 and 8, mentioned by the Mangalore Municipal Council in its resolution No 1191, dated 13th August 1953, for raising a loan in the open market for the W.S. Scheme.

With reference to the items (6) and (8) in the resolution relating to debentures, the attention of the Municipal Council is invited to paragraph 4 of G.O. No 2870, Health, dated 27-7-53, in which the Municipal Council has been specifically instructed to issue debentures, after obtaining the board and after ascertaining from the Commissioner, Corporation of Madras, the procedure to be followed in issue of debentures.

Further according to

section 20(d) of the Indian Trusts Act, 1882 a Trustee is bound to invest the money in debentures or other securities for money issued under the authority of any Act of a Legislature established in India or on behalf of a Municipal body. Accordingly section 3(11) of the Insurance (Amendment) Act, 1950, and section 5(a) of the Banking Companies Act, 1949, "approved securities" mean debentures or other securities for money issued under the authority of a municipal corporation and the securities in which a trustee may invest money under clause(d) of Section 20 of the Indian Trusts Act, 1882, respectively. Hence, the debentures to be issued by the Municipal Council will be eligible for investment of trust funds and there is no necessity for the Govt. to approve or declare the debentures as Trustee securities and as approved securities.

3. The application of the Mangalore Municipal Council for raising a loan of Rs 17.5 lakhs (Rupees seventeen lakhs and fifty thousand only) in the open market is for one of

Water supply Scheme will be published in the Fort St George Gazette.

14/1/54 One month's time from the date of its publication of the application in the Gazette will be allowed for the receipt of objections, if any, to the proposal of the Municipality Council.

12.1.54

14/1/54

1954

To

The Commissioner

Mangalore Municipality (three copies)

The Controller of Stationery and Printing, Madras for publication of the application [illegible] with a copy of [illegible] and also a copy of the Statement (A) (three copies only)

The Executive Engineer, [illegible]

The A.G., Madras

The Chief Engineer, [illegible] (with a copy for the Secretary)

Two S/s

H.E.L.A. Dept. (H.VI)

C.No.45455 H.VI/53.

G.O.(Ms) No. 355, Health, dt. 12/2/54

Sub: Watersupply - Mangalore Municipality - Application for raising loan in open market Publication - Ordered.

From the Commr., Mangalore Mpty, Roc. B6/9209/53, dated 18-8-53.
From the Commr., Mangalore Mpty, Roc. No.B6/9209/53, dt. 8-9-53.
From the Commr., Mangalore Mty, B.6.9209/53, dated 8-10-1953.
From the Commr., Mangalore Mpty., B.6.9209/53, dated 28-12-1953.

The Govt. approve the terms, excepting items 4, 6 and 8, mentioned by the Mangalore Municipal Council in its resolution No. 1191, dated 13th August 1953, for raising a loan in the open market for its W.S.Scheme

2. As regards item (4) the Govt. direct that the issue price of the loan shall be at par i.e. Rs. 100/-

2. With reference to the items (6) and (8) in the resolution relating to debentures, the attention of the Municipal Council is invited to paragraph 4 of G.O. No. 2810, Health, dated 27-7-1953, in which the Municipal Council has been specifically instructed to issue debentures, after raising the loan and after ascertaining from the Commissioner, Corporation of Madras, the procedure to be followed for the issue of debentures.

Further, according to section 20 (d) of the Indian Trusts Act, 1882, a Trustee is bound to invest the money in debentures or other securities for money issued under the authority of any Act of a Legis-

66

lature established in India or on behalf of a Municipal body. According to section 3(ii) of the Insurance (Amendment) Act, 1950, and section 5 (a) of the Banking Companies Act, 1949, "approved securities" mean. debentures or other securities for money issued under the authority of a municipal corporation and the securities in which a trustee may invest money under clause (d) of section 20 of the Indian Trusts Act, 1882, respectively. Hence, the debentures to be issued by the Municipal Council will be eligible for investment of trust funds and there is no necessity for the Govt. to approve or declare the debentures as Trustee securities and as approved securities.

3. The application of the Mangalore Municipal Council for raising a loan of Rs. 17.5. lakhs (Rupees seventeen lakhs and fifty thousand only) in the open market to finance its Watersupply Scheme will be published in the Fort St. George Gazette.

4. One month's time from the date of publication of the application in the Gazette will be allowed for the receipt objections, if any, to the

proposal of the Municipal Council.

Dy. Et. Csl 13/2/54

K 5.2.54

5/2/54

Sk 5/2/54

To

The Commissioner,
Mangalore Mpty (through the C.M.C.)
The Controller of Stationery and Printing, Madras (for publication of the application in F.S.G. Gazette (with ~~a copy~~ ~~of~~ pp.3-5 c.f. and ~~the copy~~ ~~of~~ the Statement at (X) (in original, to be sent after publication) } paras 3 & 4 only
The Examiner of L.F. Accounts
The A.G., Madras.
The Chief Engineer, P.W.D. (Gl. & Bldgs) (with a copy for the Sany. Engr.)

2 S/cs.

Health, Education and Local Administration Department.

G.O.Ms. No. 355, Health, dated 12th February 1954.

Abstract.

Water Supply - Mangalore Municipality - Application for raising loan in open market - Publication - Ordered.

Read:-

From the Commissioner, Mangalore Municipality, Roc.B6/9209/53, dated 18-8-1953.
From the Commissioner, Mangalore Municipality, Roc.No.B6/9209/53, dated 8-9-1953.
From the Commissioner, Mangalore Municipality, B.6.9209/53, dated 8-10-1953.
From the Commissioner, Mangalore Municipality, B.6.9209/53, dated 28-12-1953.

O R D E R:

The Government approve the terms, excepting items 4, 6 and 8, mentioned by the Mangalore Municipal Council in its resolution No. 1191, dated 13th August 1953, for raising a loan in the open market for its Water Supply Scheme.

2. As regards item (4) in the resolution, the Government direct that the issue price of the loan shall be at par i.e. Rs. 100/-. With reference to items (6) and (8) in the resolution relating to debentures, the attention of the Municipal Council is invited to paragraph 4 of G.O. No. 2810, Health, dated 27th July 1953, in which the Municipal Council has been specifically instructed to issue debentures, after raising the loan and after ascertaining from the Commissioner, Corporation of Madras, the procedure to be followed for the issue of debentures.

Further, according to section 20 (d) of the Indian Trusts Act, 1882, a Trustee is bound to invest the money in debentures or other securities for money issued under the authority of any Act of a Legislature established in India or on behalf of a Municipal body. According to section 3(ii) of the Insurance (Amendment) Act, 1950, and section 5 (a) of the Banking Companies Act, 1949, "approved securities" mean debentures or other securities for money issued under the authority of a municipal corporation and the securities in which a trustee may invest money under clause (d) of section 20 of the Indian Trusts Act, 1882, respectively. Hence, the debentures to be issued by the Municipal Council will be eligible for investment of trust funds and there is no necessity for the Government to approve or declare the debentures as Trustee securities and as approved securities.

3. The application of the Mangalore Municipal Council for raising a loan of Rs. 17.5 lakhs (Rupees seventeen lakhs and fifty thousand only) in the open market to finance its Water supply Scheme will be published in the Fort St. George Gazette.

4. One month's time from the date of publication of the application in the Gazette will be allowed for the receipt objections, if any, to the proposal of the Municipal Council.

(By Order of the Governor of Madras)

S.A. Subhan,
Deputy Secretary to Government.

To the Commissioner, Mangalore Municipality (through the Chairman, Municipal Council).
The Controller of Stationery and Printing, Madras (for publication of the application in the Fort St. George Gazette (with enclosures in original, to be returned after publication)
The Examiner of Local Fund Accounts.
The Accountant General, Madras.
The Chief Engineer, Public Works Department (General and Buildings) with a copy for the Sanitary Engineer.

True Copy/Forwarded/By Order.

Superintendent.

Rd.12.2.

Loan application of Mangalore Municipal Council for its water-supply scheme.

(G.O. Ms. No. 355, Health, 12th February 1954.)

No. 61.

The application of the Mangalore Municipal Council for raising a loan of Rs. 17·5 lakhs (rupees seventeen lakhs and fifty thousand only) in the open market to finance its water-supply scheme is published.

One month's time from the date of publication of the application in the Gazette will be allowed for the receipt objections, if any, to the proposal of the Municipal Council.

APPLICATION OF THE MANGALORE MUNICIPAL COUNCIL FOR A LOAN OF Rs. 17·5 (SEVENTEEN AND HALF) LAKHS FROM THE PUBLIC UNDER THE LOCAL AUTHORITIES LOANS ACT.

1 The purpose for which the loan is required and when the loan is required for any of the purposes specified in any of the clauses 1, 2, 3 or 4 of sub-section (1) of section 3 and estimate of the cost of the entire, work or such part of it as it is proposed to carry out—The loan is required to finance the water-supply scheme of the Mangalore Municipality. The total cost to the scheme is 82·85 lakhs of which the share of the municipality is 25·5 lakhs.

2 The amount which it is proposed to borrow—Rs. 17,50,000.

3 The fund on the security of which it is proposed to borrow —Funds of the Mangalore Municipality.

4 The law under which the said fund is levied, received or held—The Madras District Municipalities Act, 1920, as amended.

5 The dates within which the money is to be borrowed—The entire loan is proposed to be obtained in the open market within a month of sanction.

6 The rate of interest at which it is proposed to borrow—At 4½ per cent per annum.

7 The term of years for which the money is to be borrowed and the method by which it is to be repaid—The term of loan will be fifteen years. After the first five years, Rs. 5 lakhs will be repaid; after ten years another 5 lakhs will be repaid and the balance of Rs. 7·5 lakhs after fifteen years.

8 An account of the financial position of the local authority including a statement of all prior charges on its funds —Statements furnished below.

STATEMENT SHOWING THE FINANCIAL POSITION OF THE MANGALORE MUNICIPAL COUNCIL FOR THE FOUR YEARS ENDING WITH THE CURRENT YEAR.

Part I.—Account of Receipts and Expenditure of the General and Special Service Accounts—Ordinary.

A. General Account.

Receipts.	*I. General Taxation and Miscellaneous Revenue.*	*II. Management.*	*III. Communications.*	*IV. Education other than Elementary.*	*V. Public Health.*	*VI. Remunerative Enterprises.*	*Total.*
	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Total receipts :							
Actuals, 1950–51	5,17,913	3,765	44,520	294	77,102	1,57,779	8,01,373
Do. 1951–52	5,46,788	5,896	45,734	66	78,715	1,80,848	8,58,047
Do. 1952–53	5,26,783	2,162	45,226	87	88,779	1,85,011	8,48,048
Budget Estimate, 1953–54 ..	5,80,900	6,200	45,550	..	85,900	1,94,330	9,09,880
Net receipts available for ordinary expenditure:							
Actuals, 1950–51	5,17,913	3,765	44,520	294	77,102	1,57,779	8,01,373
Do. 1951–52	5,46,788	5,896	45,734	66	78,715	1,80,848	8,58,047
Do. 1952–53	5,26,783	2,162	45,226	87	88,779	1,85,011	8,48,048
Budget Estimate, 1953–54 ..	5,80,900	3,200	45,550	..	85,900	1,94,330	9,09,880

Receipts.	*Deduct*—Contributions from General Account to			
	Lighting Account—Ordinary.	*Elementary Education Account.*	*Town Planning.*	*Total.*
		RS.	RS.	RS.
Total receipts :				
Actuals, 1950–51	..	..	8,000	7,93,373
Do. 1951–52	..	10,000	6,000	8,42,047
Do. 1952–53	..	30,000	..	8,18,048
Budget Estimate, 1953–54 ..	..	35,000	4,000	8,70,880
Net receipts available for ordinary expenditure :				
Actuals, 1950–51	..	..	8,000	7,93,373
Do. 1951–52	..	10,000	6,000	8,42,047
Do. 1952–53	..	30,000	..	8,18,048
Budget Estimate, 1953–54 ..	..	35,000	4,000	8,70,880

Expenditure.	*I. Management.*	*II. Communications.*	*III. Education other than Elementary.*	*IV. Public Health.*	*V. Remunerative Enterprises Account.*	*Total.*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Total expenditure :						
Actuals, 1950–51	67,891	1,42,013	5,924	3,15,893	20,831	5,52,552
Do. 1951–52	75,826	1,66,620	4,770	3,20,293	18,656	5,86,165
Do. 1952–53	72,378	1,84,835	2,727	3,33,387	24,061	6,17,388
Budget Estimate, 1953–54	82,580	2,35,320	4,800	3,61,080	30,310	7,14,090
Net expenditure incurred from ordinary receipts :						
Actuals, 1950–51	67,891	1,42,013	5,924	3,15,893	20,831	5,52,552
Do. 1951–52	75,826	1,66,620	4,770	3,20,293	18,656	5,86,165
Do. 1952–53	72,378	1,84,835	2,727	3,33,387	24,061	6,17,388
Budget Estimate, 1953–54 ..	82,580	2,35,320	4,800	3,61,080	30,310	7,14,090

B. Special Service Accounts.

Receipts.	*Lighting Account.*	*Education Elementary Account.*	*Water-supply and Drainage Account.*	*Town-Planning Fund Account.*
	Rs.	Rs.	Rs.	Rs.
Total receipts including contribution from General Account—Ordinary :				
Actuals, 1950–51	56,692	1,39,181	48,383	15,459
Do. 1951–52	62,350	1,53,613	69,585	12,328
Do. 1952–53	63,894	1,73,998	1,49,518	8,288
Budget Estimate, 1953–54	38,010	1,82,570	58,300	11,700
Net receipts from special taxation and receipts under the account :				
Actuals, 1950–51	56,692	1,39,181	48,383	15,459
Do. 1951–52	62,350	1,53,613	69,585	12,328
Do. 1952–53	63,894	1,73,998	1,49,518	8,288
Budget Estimate, 1952–53	38,010	1,82,570	58,300	11,700
Expenditure.				
Total expenditure :				
Actuals, 1950–51	37,965	1,45,974	10,570	15,939
Do. 1951–52	40,288	1,65,947	42,206	12,673
Do. 1952–53	59,236	1,62,588	13,291	7,128
Budget Estimate, 1953–54	50,000	1,87,460	26,920	10,750
Net expenditure from taxation and receipts other than endowments and special contributions and special Government grants :				
Actuals, 1950–51	37,965	1,45,974	10,570	15,939
Do. 1951–52	40,288	1,65,947	42,206	12,673
Do. 1952–53	59,236	1,62,588	13,291	7,128
Budget Estimate, 1953–54	50,000	1,87,460	26,920	10,750

Part II.—Particulars of the net surplus or deficit under General Fund (for four years separately).

Particulars.	*Actuals,* 1950–51.	*Actuals,* 1951–52.	*Actuals,* 1952–53.	*Budget Estimate,* 1953–54.
	Rs.	Rs.	Rs.	Rs.
(*a*) Net total receipts under A. General Account—Ordinary.	7,93,373	8,42,047	8,18,048	8,70,880
(*b*) Net total expenditure under A. General Account—Ordinary.	5,52,552	5,86,165	6,17,388	7,14,090
(*c*) Difference [(*a*) — (*b*)]	2,40,821	2,55,882	2,00,660	1,56,790
(*d*) Capital expenditure admissible [10 per cent of the surplus under (*a*)].	24,082	25,588	20,066	15,679
(*e*) Actual capital expenditure under all accounts incurred from the general account of the local body.	1,17,000	2,26,390	2,08,000	3,78,010
(*f*) Opening balance under A. General Account—Ordinary.	3,01,278	4,25,099	4,54,591	4,47,251
(*g*) Closing balance under A. General Account—Ordinary.	4,25,099	4,54,591	4,47,251	2,26,031
(*h*) Minimum closing balance	40,068	42,594	42,402	45,491
(*i*) Deficiency in the closing balance, if any	..			..

STATEMENT OF LIABILITIES AND ASSETS ON 31ST MARCH 1953.

Heads. LIABILITIES.	*Amount.* Rs. A. P.	*Heads.* ASSETS.	*Amount.* Rs. A. P.
(i) Balance of loans—		(i) Closing balance—	
(a) From Government	8,50,653 7 0	(a) Cash	79,153 7 9
(b) From public	7,900 0 0	(b) In Treasury	5,59,474 14 7
		(c) In Bank	55,818 6 7
Total ..	8,58,553 7 0	Total ..	6,94,446 12 11
		(ii) Provident Fund—	
		Cash	8,435 8 11
		Investments	2,39,400 0 0
(ii) Provident Fund—		Total ..	2,47,835 8 11
(a) Cash	8,435 8 11		
(b) Investments	2,39,400 0 0		
		Bonus Fund—	
Total ..	2,47,835 8 11	Cash	6,979 0 0
		Investments	31,000 0 0
		Total ..	37,979 0 0
Bonus Fund—		(iii) Deposits—	
Cash	6,979 0 0	(a) Postal Savings Bank	12,000 0 0
Investment	31,000 0 0	(b) Government Promissory Notes	..
		(c) Land or other securities	..
Total ..	37,979 0 0	Total ..	12,000 0 0
(iii) Deposits	82,353 8 1	(iv) Sinking Fund Investments	..
(iv) Funded capital of endowed institutions.	4,840 14 0	(v) Other investments	76,041 0 0
(v) Cash balance of endowed institutions ..	1,203 14 0	(vi) Funded capital of endowed institutions— Securities and landed property ..	4,840 14 0
(vi) Cash balance of special accounts ..	3,34,996 4 9	(vii) Arrears of taxes	1,11,938 14 2
(vii) Other amounts	5,048 0 0	(viii) Other assets	9,29,397 14 4
Library cess	16,315 14 6	(ix) Advances recoverable—	
		(a) Permanent	235 0 0
Total ..	4,44,758 7 4	(b) Other	1,93,865 15 6
		Engineer's stock	851 8 0
		Total ..	13,17,171 2 0
Grand total ..	15,89,126 7 3	Grand total ..	23,09,432 5 10

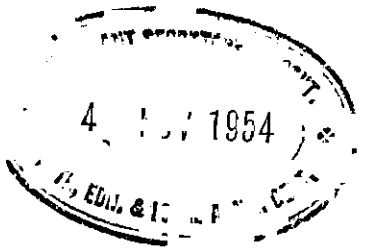
S. A. SUBHAN,
Deputy Secretary to Government.

R6.9209/53. Municipal Office, Mangalore,
Dated 29th Oct., 1954.

119182

From

Sri. A. K. Raghavan, B.A., B.L.,
Commissioner, Mangalore Municipality,
Mangalore.



To

The Secretary to Government,
Health Department,
Madras.

Through: The Chairman, Municipal Council, Mangalore.

Sir,

Sub: WATER SUPPLY - Mangalore Municipality - loan sinking fund - annuity - instructions - requesting.
Ref: G.O.No.2810, Health dated 27.7.53.

The Municipal Council has raised the loan of Rs.17.5 lakhs on 15.7.1954 and the amount has been placed at the disposal of the Executive Engineer (P.H.Division) Coimbatore. The Government in their order cited above have stated that the annual payment to be made to the sinking fund will be fixed by them in consultation with the Accountant General. I request to be informed of the annual payment to be made to the Sinking fund.

Commissioner M.M.

Forwarded

Chairman, M.C. 2/11

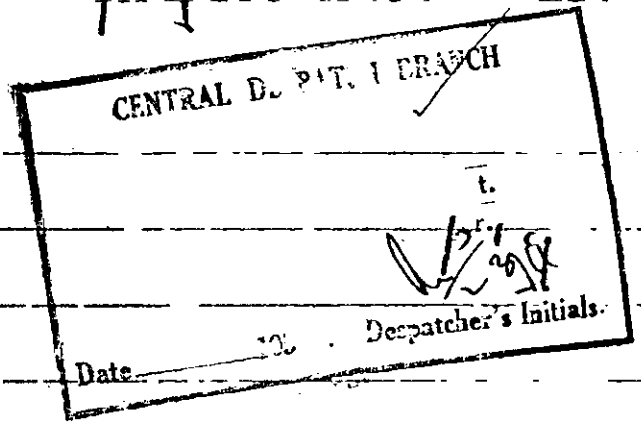
u.l.11.

Compd.

Memo no. 110182.146.52 - I Health, dt 17/11/52

Sub: Water supply: Mangalore Municipality - constitution of sinking fund to repay the principal loan

Ref: From the Commissioner, Mangalore Mpty, D.6.9209.53, dt. x/x/53



A copy of the letter cited above is forwarded to the AG, Madras for remarks.

17/11/52

To The AG, Madras,

with a copy of the letter dt 16.11.52

Office of the Accountant General, Madras.
Fort St. George, dated 6 December '54.

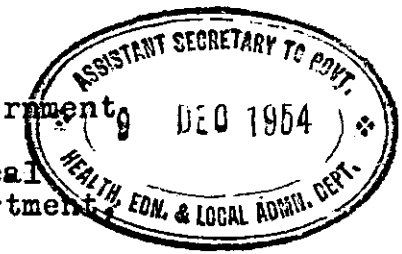
No.Book D.B. 8-31/1096

From

The Accountant General,
Madras.

To

The Secretary to the Government
of Madras,
Health, Education and Local
Administration department,
Madras-9.



Sir,

Sub: Sinking Fund--Constitution of Mangalore Municipality--in respect of the loan of Rs.17.5 lakhs.

Ref: Government Memo. No.110182-H6/54-1 dated 17-11-'54.

The period of currency of the loan of Rs.17.5 lakhs as fixed by the Municipal Council, Mangalore and approved by Government may kindly be communicated.

It is presumed that the rate of interest on the loan in question is 4½% per annum. This may also kindly be confirmed.

A final reply will be sent on receipt of the above particulars.

Yours faithfully,

A Kachapeswaran

(A.Kachapeswaran)
Assistant Accounts Officer.

DS.6/12.

6

HCLA
H6

The G.O.C. requested that
further information
called for by H.Q. and
particularly as to the L.A. Brandt
The matter given
25-12-57 for
disposal

20/12/57

18.12.57

CCL
18/12/57

3,000 Blks.—4-12-18. Sectt. II-70.

REQUISITION FOR RECORDS.

Madras Government Secretariat 4 C 9 Department 4 6 Section Record Issue No.

Date

To ~~The Curator, Madras Record Office, Egmore.~~
The Superintendent, Central Record Branch, Fort St. George.

The following records are required :—

Serial number. (1)	Nature of record. [G.O. (Ordinary or Routine), Memorandum, Endorsement, Demi-official, Loose papers, etc.] (2)	Number. (3)	Department. (4)	Date. (5)	Whether Original (O), Sp. copy (S.C.), or Sp. copy with Notes (S.C.N.) (6)	Purpose. Current number. (7)	Purpose. Year. (8)	If not furnished reasons. (9)
	Go	355	Home	12.2.22				

Date 21.12.22

Signature

Designation

ACKNOWLEDGMENT.

Signature

Received the abovementioned records except items

Designation

4 6

4 C 9

[P.T.O

Special Instructions for filling in the form of requisition.

1. Records relating to more than one department should not be asked for in the same form.
2. A requisition for confidential records must be signed by the Superintendent of the department to which the records belong. Receipt of such records must be acknowledged by the Superintendent of that department.

10787-C/54-1

15/12/54

(A)

Routine

H-L 9

Go no 355 Health, dated 12.2.54 required for disposal of the reference at p 1 ante has been put up on a file of L VI section and sent to Fin Dept with this dept u/o no 107876/L6/54-1, dated 15-12-54. Fin Dept may be requested to release the G.O. and put up in this file from that file

(Govt. raising private loan for construction of market)

ASSISTANT SECRETARY TO GOVERNMENT
HEALTH, EDUCATION & LOCAL ADMN. DEPT.
29 JAN 1955

29.12.54

30/12/54

Finance (W.M)

The file referred to at 'A' above was returned to the H.E.L.A dept with this dept's u.o no 122969/W14/54-1 dt 4-1-55

H.L.A. no 110182 H6/2

ADDITIONAL DEPUTY SECRETARY TO GOVT.
FINANCE DEPARTMENT
31 JAN 1955

Revin WM 11/1/55

11-1-55

11-1-55

H.E.L.A

Revd no 127/WM/55-1
15-1-55

Memo no. 110192-116-52-4 dt 26.1

Subj: Water supply - Mangalore Municipality. Constitution of sinking fund to repay ~~the loan~~ private loan

24/1/55

24/1/55 From the A.G, Madras, Letter no. Book-D.B.-8-31-1096 dt

The currency of the loan raised by the Municipal Council, Mangalore has been fixed at 15 years, subject to the condition that at the end of the first five years a sum of Rs 5 lakhs shall be redeemed ~~and~~ at the end of 10 years another Rs 5 lakhs and ~~the~~ at the end of 15 years the remaining sum of Rs 7.5 lakhs ~~shall be redeemed~~ The rate of interest on the loan in question is 4 1/2 % per an

7/2/55 (N)

To the A.G, Madras.

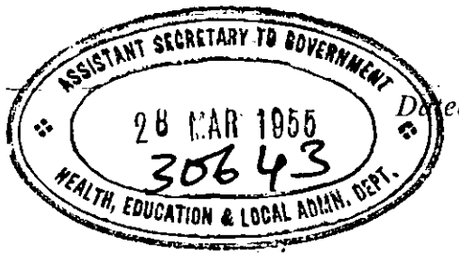
19.1.55 CR 26.1.55 AV 24.1.55

Please see the Minister's
reference no 1191 dated 13-8-53
from pp 7-8 c/f and the orders issued
thereon in para 1 of G.O. no 355 Home, — pp 65-67 c/f (N)
dated 12. 2. 54 at (N²) The draft
overleaf is for approval

AV
24.1.55

12.
5/2

OFFICE OF THE
ACCOUNTANT GENERAL, MADRAS.



MADRAS, 24/3/55

No. Book.DB.8-31/1758. Dated

FROM

THE ACCOUNTANT GENERAL,
MADRAS.

To

The Secretary to Government of Madras,
Health, Education and Local Administration Department,
Madras-9.

SIR,

Subject :— Mangalore Municipal Council water Supply r ising of private loan - constitution of Sinking Fund.

P 11 ante

Ref:-- Government Memo.No.110182-H6-54-4 dt.24-1-1955.

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The Examiner of Local Fund accounts, Madras, who audits the accounts of local bodies may kindly be addressed to fix and communicate to this office the amount of contribution payable to the Sinking Fund in respect of the loan referred to in the Government Memorandum cited above.

Yours faithfully,

A Kachapeswaran

(A.Kachapeswaran)
Assistant Accounts Officer.

RS/24-3

25/3.

15

H.L.A.

T.Memo. No. 11a182 A VI/54-5

Water Supply - Mangalore

Mlby. Loan Sinking Fund

amounts of contributions

From the Comm., Mangalore

Mlby. Bk. 9209/55-56 dt

From the A.G. Madras.

D.B. 8-31/10968 dt

From the A.G. Bombay. Dt.

8-31/1258 dt 26.3.55

A copy of the

letter of the commr,

Mangalore Mlby, cited

together with a copy of the

Govt. Memo. No. 11a182

H6/54-4 dt 24-1-55 is

Communicated to the

Exr of Accts. He is

requested to fix and

Communicate to the A.G. amount

of contribution payable

to the Sinking Fund in

respect of the loan. A Copy of

this communication to the A.G may

be sent to the Commr, Mangalore Municipality

and to Sub AV

21.4.55

20/4/55

RJ

20.4.55

To

The Exr of Accts

Madras

(with a copy of

pl and pll cf)

Copy to the A.G.

Commr, Mangalore

Municipality

for the CRC

pl cf

pll cf

p5 cf

p13 cf

p1 cf

p11 cf

p13 cf

CENTRAL REGISTRY MARCH

Date

C.F. 32 ? —70,10,558—20-1-54.

LOCAL FUND AUDIT Department

From (Name) Sri P.V.S. Maniam B.A.,
Designation Examiner of Local Fund Accounts,
Station Madras - 1.

Received — Registered

To
The Accountant General,
Madras.

L.F.No. 2407, dated 9th July 1955

ASSISTANT SECRETARY TO GOVERNMENT Secretariat — 12 JUL 1955 — 67972 — HEALTH, EDUCATION & SOCIAL WELFARE DEPT.

Sub: Water supply - Mangalore Municipality - Loan - Sinking Fund - Amount of contribution.

Ref: Government Memorandum No.40182-H-VI/54-5 Health, dated 22-4-1955.

According to Government Memorandum No.110182-H6-54-4 Health dated 24-1-1955, the currency of the loan of Rs.17.5 lakhs raised by the Mangalore Municipal Council is 15 years and as the loan is redeemable in parts (Rs.5 lakhs at the end of the 5th year, another Rs.5 lakhs at the end of the 10th year and the balance of Rs.7.5 lakhs at the end of the 15th year) the amount of annual contribution of a Sinking Fund for the redemption of the loan will not be a constant figure. The amount of the loan namely Rs.17.5 lakhs is, therefore, divided into three parts for this purpose and the amount of annual contribution fixed separately for these parts.

The loan having been raised as early as on 15-7-1954, the repayment of the first instalment of Rs.5 lakhs will fall due on 15-7-1959 and the payment into the Sinking Fund in respect of this portion of the loan will be only for four years. In respect of the second instalment of Rs.5 lakhs and the third instalment of Rs.7.5 lakhs the contribution payable will be for 5 years in each case.

Information is not available regarding the method of investment of the Sinking Fund Accumulations and the rate of interest which they may fetch is not, therefore, known. Assuming that the Sinking Fund accumulations will be invested in securities fetching an average interest of 3½% per annum, the amounts of annual contribution payable in respect of the loan are as follows:-

Towards redemption of Instalment of Loans.	Amount of annual contribution payable into the Sinking Fund.	Number of annual instalments.
Towards redemption of the First instalment of loan of Rs.5 lakhs redeemable at the end of the 5th year.	Rs.1,13,626/-	4 years.
Towards redemption of the Second instalment of loan of Rs.5 lakhs redeemable at the end of the 10th year.	Rs. 93,241/-	Next 5 years
Towards redemption of the Third instalment of loan of Rs.7.5 lakhs redeemable at the end of the 15th year.	Rs.1,33,861/-	Next 5 years.

P.V.S. Maniam 8.7.55
(P.V.S. Maniam)
Examiner of Local Fund Accounts

Copy to:

LF 241P
9.7.55

Copy to the Secretary to Government,
Health, Education and Local Administration Department,
Fort St. George, Madras.

Copy to the Commissioner, Bangalore Municipality,
Bangalore (South Kanara District) through
the Chairman, Bangalore Municipal Council,
Bangalore, (South Kanara District).

DP/LF.

HELA (HG)

May be filed with G.O.(Ms.) No. 355 Health

9.12-2-54

13/7/55

13.7.55

14.7.55

Health Department (M2)

Sub:- Water Supply - Mangalore Municipality - Application for raising a loan in the open market

Ref:- From the Comm., Mangalore Municipality, Roc.B6/9209/53, dated 18th August 1953.

***

In G.O. Ms. No. 2811, Health, dated 27th July 1953, the Government have granted permission to the Mangalore Municipality to raise a loan of Rs. 17.5 lakhs in the open market to finance its water supply scheme. In G.O. Ms. No. 2810, Health, dated 27th July 1953, instructions were also given to the Commissioner, regarding the procedure to be followed ~~in for~~ in raising the loan. In the light of these instructions, the Commissioner, Mangalore Municipality, has now submitted a loan application for Rs. 17.5 lakhs.

2. The Municipal Council ~~h~~ in its resolution No. 1191, dated 13th August 1953, has settled the terms of the loan. According to the resolution, the loan of Rs. 17.5 will carry an interest of 4½ per cent per annum payable annually and will be current for 15 years subject to the condition that at the end of the first 5 years Rs. 5 lakhs shall be redeemed, ~~and~~ at the end of another 5 years Rs.5 lakhs shall be redeemed and the balance of Rs. 7.5 lakhs at the end of the period of 15 years. The other terms fixed by the Council are in accordance with the instructions issued by the Government. The loan application, with the Draft at pp. 3-5/C, may be published in the Fort Saint George Gazette.

3. The Municipal Council was also informed that it might issue debentures after raising the loan and ascertaining in due course from the Commissioner, Corporation of Madras, the form in which the debentures should be issued and the formalities (such as stamp duty etc.) connected with the issue of the debentures.

p.t.o.

W/T. C&D.

But the Ml. Cl. has now itself decided that ~~the~~ debentures in the denomination of Rs. 100, 500, 1000, 5000, 10000 and 25000, ~~each~~ will be issued and has requested the Govt. to declare the debentures as Trustee Securities and as approved securities under the Insurance Act to enable the Insurance Companies to invest their security deposits and also as approved securities under Section 5 and 24 of the Banking Companies Act, 1949. (Act X of 1949.). Finance Dept. may be requested to consider the request of the Municipal Council ~~for~~ and to issue necessary instructions in the matter.

4. LA & F in Deptts may see for remarks, before a draft order is put up.

15/1.9.53 9/9/53

3/9/1953

LA. /Fin

Dy (i) 1/9/53

He also in 45455 42/D-1

LA. O (QR)

1.9.53

The note of Health Depr may be perused ~~and the file passed on to Fin Depr~~. The financial Statements are not to be found in the Cf. Health. Depr may be requested to obtain the financial Statements from the file to and send to this Depr. The file may be returned to the Health Depr

1 SEP 1958 42385

ARS 3/9

DEPUTY SECRETARY 48413 4 SEP 1953 HEALTH DEPARTMENT

3.9.53 3/9/53

As. 3.9.53

Health. 3.9.

KM 4/9/53 - Case No. 42

Please see the note of DA at p2 ante. The draft memo ~~above~~ may kindly be approved

4.9.53

4/9/53

SK
4/9/53

p1 Enclosed as Memo No 45455 W2-53. 2nd 4.9.53

p17-30 From the Commr, Mangalore Mpty, Rep. No. B.L. 9209.53 d 18.8.53

With reference to the note of DA Dept at p2 ante, the financial statements have been obtained from the Commr, Mangalore Mpty - vide pp 17-29 ante. The file may now be sent to DA and Fin Depts for remarks

25052

4/9/53

13.9.53

3/9/53

Spb(i) 4/9/53

SK
7/9/53

[illegible]

[illegible] 45455 [illegible] 53.

14.9.53

Please see the note above. The financials Statement ~~were~~ submitted by the Commr, give particulars for the four years ending 1952-53 only. These statements should give ~~particulars~~ details of the receipts for the year 1952-53 only. The Statements furnished

ARS 17/9

4 W

for 1953-54. Health may be requested to obtain the revised financial Statements. The file may be returned to the Health Dept.

23/9/53 24/9/53

24-9-53

Asst
Health

25/9

H. Health Dept. Lr. No. 45110 - I A2 / 26/9/53

With reference to the note of Health Dept. at pp 3-4 above, the draft memo. below is for approval.

29.9.53 29/9/53

SIS 29/9/53

SECRETARY 52627 28 SEP 1953 HEALTH DEPARTMENT

29/9/53

(Issued as Memo. No. 45455-W2/53-4, Health dated 29.9.1953)

From the Comm., Mangalore Mty., B6. 9209/53, d/ 8.10.53 — p 31 cf — p 33 cf

With reference to the note of L.A. on pp 3-4 above in the Memo. on p. 31 cf., the Comm., Mangalore Mty. has been asked to submit revised financial statements in the correct form as per rules, as the financial statements already submitted by him were defective. The Comm. has submitted the necy. financial statements, which will be found at pp 35-45 cf. — pp 19-29 cf

The file may now be sent to L.A. and Finance for remarks.

30.10.53 30.10.53

SK 30.10.53

LA.

Health U.O.No. 45455-W2/53-5 30-10-53.

HELA (L3)

Please see the note on Pr 4-5 above. The financial Statements sent by the Commissioner, Mangalore mpt was found to be defective. Fresh Statements have been prepared with reference to the records available in the office and placed below. The loan application has been checked. The file may be passed on to the Fin Department

14.11.53

Fin

Lang. M 51544-1 16 11 53

Finance(Exp.A)Deptt.

This Department may agree to the publication in the Fort St.George Gazette of the loan application of the Mangalore Municipal Council for raising a loan of Rs.17.5 lakhs in the open market to finance its water-supply scheme.

2/. With reference to the issue of debentures, attention is invited to para.4 of G.O.No.2810 Health dated 27-7-53 wherein the

6/

municipal council has been specifically instructed to issue debentures after raising the loan and after ascertaining from the Commissioner, Corporation of Madras, the procedure to be followed in the issue of debentures. But the Municipal Council has even before the publication of the loan application requested the Government to declare its proposed debentures as Trustee Securities and as approved securities under the Insurance Act to enable the Insurance Company to invest their security deposits, and also as approved securities under Sec. 5 and 24 of the Banking Company's Act, 1949 (Act 10 of 1949).

3/ According to Section 20(d) of the Indian Trusts Act (1882), a Trustee is bound to invest the money in debentures or other securities for money issued under the authority of any Act of a Legislature established in India by or on behalf of a Municipal body. According to section 3(ii) of the Insurance (Amendment) Act 1950 and Section 5(a) of the Banking Companies Act 1949, "approved securities" mean debentures or other securities for money issued under the authority of a municipal Corporation and the securities in which a trustee may invest money under clause (d) of S.20 of the Indian Trusts Act 1882 respectively. Hence, the debentures to be issued by the municipal council will be eligible for investment of trust funds and there is no necessity for the Government to approve or declare the debentures as Trustee Securities and as approved securities.

It may also be mentioned in this connection

that no special declaration was made by the Government in the cases of other Municipal Councils which were allowed to float open market loans like Madurai, Visakhapatnam etc.

4. It is seen from the Municipal Commissioners letter dated the 18th August 1953, that the rate of interest (proposed) is 4½ per cent per annum. This follows the orders of the Government in G.O.No.2810 Ms. Health dated 27-7-1953. The rate of 4½ per cent per annum was suggested by the L.A.Department (now H.E.L.A.Dept.) with reference to the rate that will be charged by this Government to local bodies in the current year (i.e. quarter per cent over the effective borrowing rate of the Government of 4¼ per cent). The rate of interest on the open market loan of this Government in the current year (a 10 year loan at an issue price of Rs 99-8 per cent is 4 per cent per annum. The Corporation of Madras is now arranging to raise a loan of 10 years' currency at par with an interest of 4 per cent per annum.

5. The issue price of the loan of Rs 17½ lakhs to be raised by the Mangalore Municipality will be Rs 99-8 per cent. Having regard to the fact that it is a 15 year loan repayable in three instalments (Rs 5 lakhs after 5 years, another Rs 5 lakhs after the next 5 years and the balance of Rs 7½ lakhs at the end of the 15 year period), a rate of 4½ per cent per annum seems to be adequate, unless it is felt that the money cannot be raised locally at that rate. H.E.L.A. may be requested to ask the Mangalore Municipality to state whether the prospective subscribers would agree to the rate of 4½ per cent per annum.

ASSISTANT SECRETARY TO GOVT. 10 DEC 1953 71465 HEALTH, EDN. & LOCAL ADMN. DEPT.

H. & U.A. Dept.

4(VI)

Please see the note of the Fin. Dept. from p 5 ante. With reference to X at p 7 ante the Mangalore Municipal Council may be consulted in the first instance. The draft memo below is for approval.

16.12.53 16/12/53 17/12/53

(Issued as Memo No. 45455-H-VI-53-6, Health, d. 17.12.53) pp 47-48 C

From the Commr., Mangalore Mpty., B6. 9209.53, d. 28.12.53. p 49 C

Please see the Fin. Dept.'s note from p 5 ante, and the letter of the Commr., Mangalore Mpty., at p 49 C. In the circumstances expressed by the Municipal Council at p 49 C, the rate of interest may stand at 4½ %. as originally proposed

2. As regards the request in the ~~last~~ relevant paragraph of the M.C. ~~forwarding~~ letter, mentioned in ~~paragraph~~ 3 of the letter at p ~~8~~ 7, a reply

CM

a reply may be given on the lines indicated in paragraphs 2 and 3 of the Fin Dept's notes at pp 5-6 ante.

Subject to orders, a draft order is submitted for approval. Fin may wait for acceptance prior to circulation

12.1.54 14/1/54 4/1954

Thro CM

16/1/54

18/1/54 19/1/54

To HTV

Hiltha 45455 II-6/54-7

19-1-54

Finance (Ex p.A)

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
20 JAN 1954
E.A.
FINANCE DEPARTMENT

[Previous note of Finance paras 5-7 above]

With reference to the portions marked X in this dept's note at 7 above the letter from the Commissioner, Mangalore municipality forwarding a copy of the municipal council's proceedings dated 26-12-53 at pp 49 cf may be perused

2. The municipal council is of the opinion that if the rate of interest is reduced from 4½% to 4¼% p.a. the loan cannot be raised locally, and that the prospective subscribers would not agree to the rate of 4¼% p.a.

MHLA have agreed to the rate of interest being allowed to ~~stand~~ stand at 4½ % p.a. and have put up a draft order for the publication. ~~It is for them whether~~ The draft order below may be accepted in this depth.

PTO

Let us agree to 4½ %, but in that case the issue price may be at par. The discount is an unnecessary. I am sorry to learn that subscriptions will be received in full at par i.e. ~~to~~ with issue price of Rs 100-0-0.

H.E.L.A

I.L.C.A.D.D

Please see the enclosed draft Reply from P.9 and its covering letter. The draft has been amended as suggested and copy of the draft is now submitted for approval & issue.

PTO

ASSISTANT SECRETARY TO GOVT. 4 FEB 1954 HEALTH, EDN. & LOCAL ADMN. DEPT.

11363

4545

draft order is self-explanatory. It may be circulated to M(H) M(LA) and M(F&E) for approval

5.2.54 5/2/54

S.A. Sankaran
5254

Date 5/2/54.

M(H) 9/2

SECRETARY TO GOVERNMENT
12 FEB 1954
HEALTH, EDN. & LOCAL ADMN. DEPT.

M(L.A) 9.2.54.

M(F&E) 12.2.54